

Mosaic Commons Cohousing: Proposals for Distributing Costs
 From the sliding scale committee - March 20, 2000

	Minimally Income Based Proposal	Moderate Proposal	Income-Based Scaling Proposal
Pre-move-in: Ongoing expenses like meeting space and childcare	Keep current system: \$50 per household initial membership fee, \$20 per month for 1 st adult, \$15 for 2 nd adult, \$10 for 3 rd etc. adult. IOA reads: If these dues cause severe hardship, a sliding scale is available. How the sliding scale works, and how one applies for it, need to be determined.	Same dues amounts. Same language in IOA, except remove "severe". To receive a decrease in dues amount, a household applies to the financial committee, which may use its own judgment (with periodic reporting to the whole group) or request guidance from the larger group without revealing the identity of the applicant(s).	Dues are on a sliding scale (which is the same regardless of category of expense, see below.) Each household is assigned a percentage, which they apply to the base amount to determine what they should pay. See below, under "Other Notes", for some specifics of how the scale is determined. Since the scale is figured on household, not individual, income (with deductions for number of household members), the base dues amount would be on a household, not individual basis (approximately \$35 per household per month).
Pre-move-in: Larger expenses which do not count toward eventual unit purchase (e.g. retreat costs)	A sliding scale of between 75% and 125% of actual cost. People contribute what they feel comfortable with. Any extra is put into a fund toward the next event. In the event of a shortfall, the group is informed of the situation and asked for further contributions. If there is still not enough, the event is cancelled and the money refunded. Common sense would dictate that a severe hardship or an emergency situation will require and receive special group consideration.	Depending on the expected demand for a decreased rate, the normal rate for the event is set at 105-110% of the actual cost. Households with financial hardship apply to the financial committee, which may set their rates as low as 50% of the normal rate. Any amount over budget will be used to decrease the normal rate for the next such event or expense.	These expenses are on the sliding scale. Each household uses its assigned sliding scale percentage to determine its cost for the retreat.

Pre-move-in: Consultants' fees	Paid for through capital contributions, which are applicable to the down payment on a unit. Early in the development phase, when we are raising money for professional fees, single-adult households will put in 75% of what multi-adult households put in. For the most part, smaller households will eventually purchase smaller units, so it makes sense to ask for less from them up-front.	Single-earner families (especially families expecting to purchase a small unit) may elect to put in 75% of what other households do. Also, any household may voluntarily contribute more than required at any point (it goes toward their down payment anyway). Also, required amounts from low-income families who expect to qualify for subsidized affordable housing units will be lower; how much lower will depend on the program and/or regulations. (Some low income loan programs have <i>very</i> low down payments and so initial capital contributions should be lower for these families.)	Same as Moderate Proposal. Also, any household may choose to contribute extra toward the whole project, or to a particular low-income family's share, or to the group of low-income families' share.
Unit cost	Dependent on size and other value factors of unit.	Same, except as required by affordable-housing program.	Same, except as required by affordable-housing program.
Post-move-in: Utilities, supplies and maintenance for common facilities	Monthly fee based on the number of adults in a household, the number of bedrooms in the unit, and the size of the lot on which the unit is located.	Either a flat monthly fee or a fee based on number of bedrooms. Fees are set at approximately 110% of expected budgeted needs. Families in financial hardship are encouraged to apply to the financial committee, which may offer discounts of up to 50% of the monthly fee to up to 25% of households.	Base monthly fee multiplied by assigned sliding scale percentage. Because in general households with more income will purchase larger units, the base fee will be equal for different sized units, but then scaled according to household income.
Post-move-in: Common meals	Flat fee per meal, with children 3-12 at half price and no charge for children under 3.	Same, or possible flat fee per household member per month (with children similarly discounted), to encourage participation in common meals.	Same as Moderate Proposal, or consider some degree of sliding scale for meals also.
Post-move-in: Capital expenses not included in original budget/improvements	Paid for out of a percentage of regular monthly dues that is set aside for this purpose, or voluntary contributions, or a combination.	Same.	Same.
Post-move-in: Items that might be considered unnecessary, luxuries, or too expensive for some members.	Voluntary contributions. Such contributions could also be used to upgrade items that are in the budget - for example, an individual or group could contribute the difference between a small hot tub that was in the budget, and a larger hot tub.	Same. All community members have access to all facilities located in common space, regardless of whether they contributed to the cost of them or not.	Same, but better to finance most expenses out of dues. In theory, because the sliding scale would make dues easier for lower-income households, the community could more easily agree to include such expenses as routine budget items (by setting the base fee a bit higher than minimum).

<p>Other notes:</p>	<p>During the main development phase, and the common house construction phase, we will have small groups organize loan funds so that some people can pay their share later, over time - paying back a pool of neighbors who had put money in, plus some minor, agreed upon, interest. Neighbors may also decide to give money instead of loaning it.</p> <p>After initial donations are made for some of the common house/land items (i.e. someone donates a table, someone else donates toys that they already own), and all needed items have been budgeted for, we will have two rounds of fund raising:</p> <p>Round one will allow people to partially or completely fund popular items that do not fit into our budget. For example, two people buy a treadmill for the benefit of the whole community.</p> <p>The second round will be for general common house fund donations. People will not get to 'vote' with their money for specific items during this round. Instead, a common house committee will publish an approximate list of items they most want to see funded, and the donations will create a fund that the committee will use.</p>	<p>The community may decide to take any of the steps listed under the Minimally Income-Based Proposal, or similar steps. Mortgage regulations forbidding the use of borrowed money for the down payment may make a loan fund impractical.</p>	<p>Same as Moderate Proposal.</p> <p>This is how the sliding scale is determined: Each family reports their annual income to the sliding scale committee (this may at least temporarily be the same as the financial committee). The whole group comes to agreement about sources of income to report and deductions allowed, including how large of a deduction, if any, is allowed per adult or child. The financial committee determines the average adjusted family income, and assigns each household a percentage between 50% and 150%.</p>
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